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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13
OF THE SECUTITIES EXCHANGE ACT OF 1934

For Quarter Ended March 31, 1992 Commission file number 0-12304

LAKESIDE BANCSHARES, INC.
(Exact name of registrant as specified in its charter)

Louisiana	72-0931805
(State or other jurisdiction of incorporation of organization)	(I.R.S. Employer Identification No.)

One Lakeside Plaza Lake Charles, Louisiana	70601
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (318) 433-2265

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

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On March 31, 1992 there were 500,000 shares of the Registrant's common stock outstanding.

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PART I - FINANCIAL INFORMATION

LAKESIDE BANCSHARES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CONDITION

	(Thousands of Dollars) (Unaudited) March 31 1992	December 31 1991
ASSETS		
Cash and Due From Banks	$17,894	$18,942
Federal Funds Sold	9,000	5,800
Cash and Cash Equivalents	26,894	24,742
Investment Securities	65,725	68,118
Loans and Leases - Net of Unearned Income	101,488	103,743
Less: Reserve for Possible Loan and Lease Losses	(2,774)	(2,854)
Net Loans and Leases	98,714	100,889
Premises and Equipment	8,991	8,581
Other Real Estate Owned	1,550	1,763
Other Assets	1,945	1,314
Total Assets	$203,819	$205,407
LIABILITIES		
Deposits:		
Noninterest Bearing	$40,224	$40,643
Interest Bearing	147,762	148,869
Federal Funds Purchased	0	0
Accrued Interest, Taxes and Other	1,336	1,791
Total Liabilities	189,322	191,303
SHAREHOLDERS' EQUITY		
Common Stock (Par Value $2.50/Share)		
March 31 1992 / December 31 1991		
Authorized Shares 500,000 / 500,000		
Outstanding Shares 500,000 / 500,000	1,250	1,250
Surplus	2,500	2,500
Treasury Stock (Zero shares as of March 31, 1992 and Zero shares as of December 31, 1991)	0	0
Note Receivable - ESOP	(336)	(336)
Retained Earnings	11,083	10,690
Total Shareholders' Equity	14,497	14,104
Total Liabilities and Shareholders' Equity	$203,819	$205,407

LAKESIDE BANCSHARES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF INCOME
(Unaudited)

(Thousands of Dollars, Except Per Share Amounts)

	Three Months Ended March 31	
	1992	1991
INTEREST INCOME		
Loans and Leases	$2,672	$3,026
Fed Funds Sold	86	200
Investment Securities:		
Taxable	863	1,013
Non-Taxable	29	39
Other	25	38
Total Interest Income	3,675	4,316
INTEREST EXPENSE		
Deposits	1,489	2,182
Other	3	5
Total Interest Expense	1,492	2,187
Net Interest Income	2,183	2,129
Provision for Loan and Lease Losses	150	150
Net Interest Income After Provision for Loan and Lease Losses	2,033	1,979
NONINTEREST INCOME		
Trust Income	75	66
Service Charges on Deposits	484	405
Other Noninterest Income	418	213
Total Noninterest Income	977	684
NONINTEREST EXPENSE		
Salaries and Employee Benefits	1,209	1,064
Expenses of Premises and Fixed Assets - Net	350	305
Other Noninterest Expense	1,037	913
Total Noninterest Expense	2,596	2,282
INCOME (LOSS) BEFORE INCOME TAXES	414	381
INCOME TAXES	20	131
NET INCOME (LOSS)	$394	$250
PER SHARE AMOUNTS		
Net Income (Loss)	$0.79	$0.50
Cash Dividends Declared	$0.00	$0.00

LAKESIDE BANCSHARES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited)

(Thousands of Dollars)

	Three Months Ended March 31	
	1992	1991
Operating Activities		
Net Income	$394	$250
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Provision for Loan Losses	150	150
Depreciation	179	159
Amortization (Accretion) of Investment Security Premiums (Discounts)	(789)	(54)
Deferred Income Taxes	1	1
(Gains) Losses on Securities Transactions	0	0
(Increase) Decrease in Interest Receivable	(42)	(266)
Net Change in Other Assets	(390)	(952)
Increase (Decrease) in Interest Payable	(295)	(520)
Net Change in Other Liabilities	(251)	208
Other Noncash Expenses	12	(6)
Net Cash Provided by Operating Activities	(941)	(1,030)
Investing Activities		
Proceeds from Sales of Investment Securities	0	0
Proceeds from Maturities of Investment Securities	19,918	17,188
Purchases of Investment Securities	(16,735)	(19,671)
Net (Increase) Decrease in Credit Card Loans	303	259
Net (Increase) Decrease in Loans	1,722	1,319
Principal Payments Received Under Leveraged Leases	0	0
Purchases of Premises and Equipment	(589)	(149)
Net Cash Used By Investing Activities	4,619	(1,054)
Financing Activities		
Net Increase (Decrease) in Noninterest Bearing Deposits, NOW Accounts, and Savings Accounts	5,107	(1)
Net Increase (Decrease) in Certificates of Deposit	(6,633)	(2,180)
Increase (Decrease) in Federal Funds Purchased	0	0
Principal Payments on Long Term Debt	0	0
(Acquisition) Disposition of Treasury Stock	0	0
Cash Dividends	0	0
Net Cash Provided by Financing Activities	(1,526)	(2,181)
Increase (Decrease) in Cash and Cash Equivalents	2,152	(4,265)
Cash and Cash Equivalents at Beginning of Year	24,742	29,950
Cash and Cash Equivalents YTD	$26,894	$25,685

LAKESIDE BANCSHARES, INC. AND SUBSIDIARIES

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

LIQUIDITY and CAPITAL RESOURCES

The company and its subsidiary bank continued to maintain an adequate liquidity position during the first quarter of 1992. At March 31, 1992, $54 million of securities maturing within the next 12 months, along with $26.9 million in cash and cash equivalents were on hand to meet liquidity needs.

Loan levels have experienced a decline of approximately $2 million during the first quarter of 1992, due mainly to the sale of $1.6 million in student loans. The deposit level has declined approximately $1.5 million in the same period. The relationship between the sources and applications of funds was somewhat flat during the first quarter, with uses of funds exceeding sources. With only relatively minor applications of capital resources made during the first quarter of 1992, our liquidity position remains in excellent condition.

RESULTS OF OPERATIONS

Net income for the first quarter of 1992 was at $394,000, an increase of $144,000, compared to an increase of $3,148,000 in the first quarter of 1990.

Net interest income increased $54,000 (3%) during the first quarter of 1992 compared to an increase of $127,000 during the first quarter of 1991. Lower interest rates resulting in lower cost of funds is responsible for the major portion of this increase.

The provision for loan losses was at $150,000 for the three months ending March 31, 1992. At the end of March 1991, the provision was also $150,000. The Bank evaluates the allowance for loan losses on a monthly basis, with additions to the provision made when necessary.

Net overhead was up $21,000 (1%) in the first quarter of 1992, when compared to a decrease of $155,000 in the first quarter of 1991. Increases in service charges and recognition of deferred gains on the sale of OREO were offset by increased salaries and FDIC insurance premiums to account for the current increase in net overhead. There are continued efforts to hold normal operating costs as low as possible.

At the subsidiary level, the Boards of Directors of LNB Realty Company, Inc., and Lakeside National Bank have elected to liquidate the Realty Company, with all attempts to be made to preserve the name of the Realty Company. The liquidation will be essentially an accounting process, with all of the assets and liabilities of the Realty Company being placed on the books of the Bank. This liquidation will eliminate some $13,000 in state franchise taxes on an annual basis. The books of LNB Realty Company, Inc. were officially closed on April 30, 1992.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

While Lakeside Bancshares, Inc. and its subsidiaries are from time to time parties to various legal proceedings arising in the ordinary course of business, management, subject to the uncertainties inherent in any litigation, believes there is no proceeding threatened or pending against Lakeside Bancshares, Inc. and/or its subsidiaries other than disclosed herein that is reasonably likely to result in a material adverse change in the business, financial condition or financial operations of the Holding Company or its subsidiaries.

At periodic intervals, OCC examiners routinely examine the Bank's financial statements as part of their legally prescribed oversight of the Banking industry. Based on these examinations, the regulators can request that the Bank's financial statements be adjusted in accordance with their findings. In view of FIRREA, the FDIC Improvement Act of 1991, and the increasingly uncertain regulatory environment in which the Bank now operates, the extent, if any, to which a forthcoming regulatory examination may ultimately result in adjustments to the financial statements cannot presently be determined.

Regulatory Matters

During 1990, the Comptroller of the Currency ("OCC") issued a Notice of Charges ("Notice") to Lakeside National Bank ("Bank"). A hearing before an Administrative Law Judge ("ALJ") to determine the validity of the OCC charges was held on May 20-23, 1991.

On or about November 20, 1991, the ALJ recommended that the Bank institute certain remedial measures. The OCC and the Bank filed a Notice of Appeal to the ALJ's Recommended Order. The Appeal, by law, was taken directly to the Comptroller of the Currency.

On or about May 8, 1992, the OCC ordered the Bank to institute certain remedial measures, many of which have already been instituted by Bank management as follows:

(i) The appointment of a committee responsible for monitoring and coordinating the Bank's adherence to the provisions of the ALJ order;

(ii) The employment of an independent outside management consultant;

(iii) The Bank shall submit any proposed employment or severance contracts with any members of senior management to the OCC for prior review and approval, and prior to honoring any existing employment or severance contracts with members of senior management, such proposed action shall be submitted to the OCC for review and approval;

(iv) Adoption and implementation of a written program to protect the Bank's interest with regard to classified assets. Such program would include an identification of expected sources of repayment, the appraised value of supporting collateral, determination of the Bank's lien position on collateral and an analysis of current credit information;

(v) Establishment of a review system to periodically review the Bank's asset portfolios to identify and otherwise remedy or resolve problem assets;

(vi) Development and implementation of a written program and written loan policy to improve the Bank's loan administration. Such program and policies would include procedures to ensure satisfactory and perfected collateral documents, to obtain and analyze credit information and a description of acceptable loan types, credit information, collection procedures and pricing policies;

(vii) A prohibition on the Bank in making or extending any loan to a borrower whose loan is currently classified or otherwise extending credit unless such action is in conformity with the Bank's loan policies and procedures;

(viii) A required review by the Board of the adequacy of the Bank's allowance for loan and lease losses and the establishment of a program for the maintenance of an adequate allowance. Such a review and program might include a periodic internal loan review paying particular attention to a borrower's loan loss experience and credit information, estimating the potential loss exposure on each significant credit and consideration of credit concentrations and economic conditions;

(ix) The required development, implementation, revision and adherence to written liquidity, asset and liability management and other real estate policies, and otherwise taking steps necessary to correct perceived violations of any rules or regulations which may be cited by the OCC;

(x) The Board shall develop a three (3) year capital program to include maintenance of adequate capital, projections for growth and capital requirements, and a dividend policy permits declaration of dividends only when the Bank is in compliance with its capital program and with prior approval of the OCC;

(xi) The Bank's Board shall ensure appropriate implementation of policies and procedures developed for the trust department and corrective action concerning the System and Programming activities in the Electronic Data Processing function. The Board shall also develop and implement an appropriate independent internal audit program.

The Bank's Board of Directors responded to the OCC concerns prior to issuance of the initial Notice. In response to the OCC's March 30, 1990 Report of Supervisory Activity, a committee to respond to the OCC's concerns was appointed by the Board on October 4, 1990. New policies and programs necessary for the protection of Bank's assets, future capital needs and compliance with regulatory rules and procedures have already been developed and implemented. Measures necessary to adequately monitor the Bank's compliance with such policies and programs have also been instituted.

In particular, the loan procedures have been revised, restructured and strengthened to require current credit information, proper collateral documentation and other information necessary to make a sound lending decision. Appointed committees and bank employees periodically review the asset portfolios to determine the safety and soundness of assets and to otherwise ensure the adequacy of the reserve for loan and other asset losses. Access to electronic data processing ("EDP") files is limited and an independent auditor specializing in EDP matters was hired to review EDP policies and procedures and to recommend to management procedures for improving EDP administration. The trust department has employed additional staff to better service accounts. Management monitors interest rate movements, economic conditions and other factors necessary to profitably manage the Bank.

The Board of Directors of the Bank is weighing its option to appeal the OCC Order.

Shareholder Matters

On or about May 24, 1991, a petition was filed on behalf of Lakeside National Bank of Lake Charles (the "Bank") in the 14th Judicial District Court (the "Court"), Parish of Calcasieu, State of Louisiana. In the petition, the Bank alleges that pursuant to an agreement (the "Agreement") between the Bank and members of the Chevanne family (the "Defendants"), the Board of Lakeside Bancshares, Inc. ("Company") would be composed of the same number and persons as the Board of the Bank. The petition further alleges that by actions taken, the Defendants have and continue to breach the Agreement.

On or about June 28, 1991, the Defendants filed a formal response (the "Response") to the petition with the Court. In the Response the Defendants allege that the Agreement is illegal and void as against public policy and does not meet the requirements of the Louisiana Business Corporation Law. Because the petition seeks to enforce an illegal agreement which fails to comply with the requirements of the Louisiana Business Corporation Law, the Response alleges that the petition states no cause of action and must be dismissed. The court has taken the matter under advisement and no decision has been made.

Should an injunction be granted by the Court restraining and prohibiting Defendants from engaging in acts contrary to the Agreement, the outcome of a vote of stockholders to elect directors of the Company at an Annual Meeting of Stockholders could be materially altered.

On September 4, 1991, Plaintiffs, Harry J. Chavanne and Mary Ellen Chavanne, in her capacity as Trustee of the Chavanne Family's Lakeside Bancshares, Inc. Voting Trust and Stock Restriction Agreement, filed a Complaint for Declaratory and Injunctive Relief and for Damages in the U.S. District Court for the Western District of Louisiana, Lake Charles Division, under Docket No. CV 91-1909-LC. The Complaint names Lakeside Bancshares, Inc., all its inside Directors and Officers, all but one of its outside Directors, and four officers of Lakeside National Bank as Defendants. The lawsuit is styled as a shareholders derivative action, on behalf of the named Plaintiffs and purportedly, on behalf of all other shareholders, alleging that the Defendants participated in and are continuing to participate in individual and/or concerted activity constituting a breach of their fiduciary duties as Officers and/or Directors of Lakeside Bancshares, Inc., and its subsidiary and principal asset, Lakeside National Bank of Lake Charles.

More particularly, the Complaint alleges that the Defendants have not administered the affairs of Lakeside Bancshares in a careful and prudent manner and that Defendants' actions were intentionally undertaken for the purpose of frustrating and preventing the Chavannes and other unnamed shareholders from exercising their rights.

The Complaint seeks the following remedies: injunctive relief to avoid implementation of the certain executive officer employment contracts and by-law provisions; a declaratory judgment declaring the employment contracts, as amended (which have already been rescinded by management), and the treasury stock sale to the ESOP void and of no effect; and damages in an as yet undetermined amount, speculated to be in excess of $15 million. The Complaint also seeks recovery of attorney fees.

The Defendants have carefully reviewed the allegations of said Complaint and believe there is no merit to any of the subject allegations nor any valid legal cause for the relief requested, and Defendants intend to vigorously seek dismissal of the claims against them.

The Defendants further believe the Complaint was filed by the Chavanne family in further response to the petition filed on or about May 24, 1991, on behalf of Lakeside National Bank of Lake Charles (the "Bank") against members of the Chavanne Family in the 14th Judicial District Court (the "Court"), Parish of Calcasieu, State of Louisiana alleging that members of the Chavanne Family are attempting to breach a certain agreement which allegedly requires the Board of Lakeside Bancshares, Inc. to be composed of the same number and persons as the Board of the Bank.

Item 6. Reports on Form 8-K

No current report on Form 8-K, was filed during the first quarter of 1992.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

LAKESIDE BANCSHARES, INC.
(Registrant)

H. D. Martin, Treasurer

Date: May 14, 1992